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STATUTE

United States Code, Title 28, Sec. 1254(1) 1

IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

No. .....

FARR COMPANY, a corporation,

Petitioner,

vs.

JULES D. GRATIOT and AIR-MAZE CORPORATION,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

To the Supreme Court of the United States:

A.
Opinions Below.

The opinion of the District Court was oral and unreported, but appears at R. 819. The opinion of the Court of Appeals is reported at .....F. 2d....., 111 U. S. P. Q. 170.

B.
Statement of Jurisdiction.

Petitioner invokes the jurisdiction of this Court under Title 28, U. S. C., Section 1254(1).

C.

Counterstatement of the Case.

This is a run-of-mill action for patent infringement. The District Court entered judgments [R. 67, 1182] sustaining the validity and infringement of the patent in suit. The Court of Appeals for the Ninth Circuit reversed such judgment, holding the patent in suit invalid for lack of invention, under the authority of this Court's decision in *A. & P. Tea Co. v. Supermarket Corp.*, 340 U. S. 147.

The Petition in effect seeks from this Court a review of the factual issues concerning the validity of the Farr patent in suit, stating: "Petitioner is not seeking *merely* a review of the factual issues (p. 8.)" The Petition proceeds to argue the factual issues with reference to the evidence and not merely the findings of fact of the District Court (pp. 2-4, 7). Although we do not agree with the evidentiary facts as stated by the Petition, we do not believe that a discussion of the facts as shown by the evidence will be helpful to the Court at this time and we do not discuss them herein.

The only reason actually set forth in the Petition for its allowance is the assertion by Petitioner that the Court of Appeals abused its discretion by not accepting the Findings of Fact of the District Court on the issue of validity of the Farr patent in suit. The Petition, in effect, asks this Court to substitute its judgment for the Court of Appeals as to the validity issue, or, in the

alternative, to hold that a finding of validity by a district court is binding on all of the appellate courts.

Petitioner's purported summary of the relevant findings of fact of the District Court (pp. 5-6) are misleading and erroneous in the following particulars:

(a) Petitioner neglects to point out that the District Court found that the Farr patent in suit discloses a new combination of *old* elements [Finding 9, R. 61], stating in its opinion:

> "As the plaintiff has stated here, all of the elements which are disclosed in plaintiff's claims in the patent in suit are old. Each one of them has existed before or been used in some one or another previous device or, as I say, disclosed in a previous patent [Opinion, R. 820]."

(b) Petitioner's representation (p. 6) that the District Court found that: "The prior art relied upon by Respondents did not contain . . . the elements . . . of the filter of the Farr patent in suit . . ." is plainly erroneous in view of the District Court's Finding 9 and Opinion, as pointed out under (a), above, that all of the elements of the claims were old in the prior art.

The District Court's oral opinion was rendered immediately at the conclusion of the trial and arguments by counsel, and not after any further consideration as implied by the Petition (p. 5). Furthermore, all of the findings of fact were prepared by Petitioner's counsel and entered by the District Court without change.

Most significantly, the District Court made *no* finding of fact to the effect that "the old elements which made up this device perform any additional or different function in the combination than they perform out of it," as appears to be enjoined by this Court in the *A. & P.* case, *supra,* at page 152. This omission was called to the attention of the Petitioner by our briefs in the Court of Appeals, and before remand to the District Court for further trial, and presumably thereby to the attention of the District Court, yet the District Court in its second set of findings of fact [R. 1178-1181] made no finding with respect thereto and Petitioner asked for none. Only claims 4, 5, 7, and 8 of Farr patent No. 2,286,479 in suit were involved in this action [Finding 1, R. 59], and these were the only claims held invalid. Claims 1, 2, 3, and 6 were not in issue. Consequently, regardless of the outcome of this case Petitioner still has its patent with the unadjudicated claims therein, for what it is worth.

D.
Questions Presented.

The Petition (pp. 8-10) presents two "questions" upon which it asks this Court for a decision:

(1) Did the Court of Appeals below properly apply the rule of this Court's decision in the *A. & P. Tea Co.* case, *supra,* to the facts in this case?

(2) How far are findings of fact as to the validity of a patent binding on the appellate courts?

E.
Argument.

(a) In General.

This action for patent infringement prays for a preliminary and permanent injunction [R. 5], and such permanent injunction has been ordered by the District Court [R. 67]. This is an action in equity, and "In equity, matters of fact as well as law are reviewable." (See: *Virginian R. Co. v. United States,* 272 U. S. 658, 675, 47 S. Ct. 222, 71 L. Ed. 463; *District of Columbia v. Pace,* 320 U. S. 698, 64 S. Ct. 406, 88 L. Ed. 408.)

Here the Court of Appeals had the record before it as to both the facts and the law, and under the foregoing authorities had full power to review the facts and reverse the District Court on the issue of validity of the Farr patent in suit.

The Court of Appeals for the Ninth Circuit at all times has clearly had in mind the requirements of Rule 52(a) of the Rules of Civil Procedure as to patent infringement suits. (See: *Maurice A. Garbell, Inc. v. Consolidated Vultee Aircraft Corp.,* 204 F. 2d 946, cert. denied 346 U. S. 873; *Hansen v. Safeway Stores,* 238 F. 2d 336; *Hall v. Wright,* .....F. 2d ....., 112 U. S. P. Q. 210.)

(b) The Court Below Properly Applied the Law.

The Court of Appeals properly relied upon and correctly applied the rule of the *A. & P. Tea Co.* case, *supra.*

Here, as in the *A. & P. Tea Co.* case, all the elements of the claims of the patent in suit were old in the prior

art. Here, as in the *A. & P. Tea Co.* case, the District Court made no finding of fact that any of such elements of the claims in suit "perform any additional or different function in the combination than they perform out of it." Hence, the findings of the District Court in this case did not satisfy the factual requirements prescribed by this Court in the *A. & P. Tea Co.* case, the Petition (p. 9) to the contrary notwithstanding.

In the *A. & P. Tea Co.* case, the District Court made elaborate findings of fact on the normal indicia of invention, finding in effect: (a) that there was a longfelt need in the art (Findings 8, 9, 13); (b) the satisfaction of that need by the Turnham invention in suit (Findings 10, 11, 13); (c) the Turnham invention provided a substantial increase in efficiency (Finding 14); (d) the Turnham invention defined a new combination of old elements brought together for the first time (Finding 15); (e) that there was no similiarity between the patent in suit and the prior art (Finding 17); and (f), finally, that the patentee of the patent in suit "met the test of invention" (Finding 19).

In the face of such findings of fact in the *A. & P. Tea Co.* case, this Court reversed both courts below and held the Turnham patent invalid for lack of invention without discussing the findings of fact.

In this case, the Court of Appeals, on generally similar findings of fact, held the Farr patent in suit invalid for lack of invention, quoting this Court and holding that

the District Court had not applied the proper test of invention. A comparison of the actual findings of fact in both this and the *A. & P. Tea Co.* case indicates that here the Court of Appeals was fully justified in coming to its conclusion that the judgment of the District Court was clearly wrong.

The Court of Appeals here considered the Niestle (French) prior art patent, came to the conclusion that the Farr patent in suit is invalid for lack of invention over the Niestle patent under the test prescribed by this Court in the *A. & P. Tea Co.* case, held, in effect, that the District Court's findings to the contrary were clearly erroneous, and reversed the judgment.

Whenever this Court or a Court of Appeals reverses a decision to hold a patent either valid or invalid, without specifically and by number setting aside findings of fact by a District Court, it inferentially sets aside any and all findings to the contrary. Either we misunderstand the Petitioner's argument or it is merely caviling because the opinion of the Court of Appeals here is brief and does not go into great detail in discussing the findings of the District Court. We do not think there is any such obligation on a Court of Appeals, and apparently this Court feels the same, because in the *A. & P. Tea Co.* case this Court did not in any way discuss the elaborate findings of fact of the District Court there in support of the holdings of validity.

In any event, the Court of Appeals below clearly had in mind the test of invention prescribed by this Court in

the *A. & P. Tea Co.* case, and, we suggest, correctly applied such test to hold the Farr patent in suit invalid. The decision by the Court of Appeals does not in any way change the scope of appellate review in patent cases, as suggested by Petitioner.

(c) There is No Confusion Among the Courts as to the Effect of Findings of Fact.

Petitioner argues (p. 9) that the Federal courts are "in hopeless conflict and confusion" as to the effect to be accorded findings of fact on the issues of invention. We find no such confusion among the courts. True, this Court and the Courts of Appeal sometimes refer to the findings of fact and sometimes do not in reaching a conclusion as to the validity of a patent which is contrary to that of the trial court, but, we suggest, this does not indicate any confusion. There is no evidence of any "emasculation" of Rule 52(a) of the Rules of Civil Procedure as suggested by the Petition (p. 10).

It has been fundamental law, since the decision of this Court in 1850 in the leading case of *Hotchkiss v. Greenwood,* 11 How. 248, 265, 13 L. Ed. 683, 690, that a patent which does not display "more ingenuity or skill . . . than that possessed by an ordinary mechanic" is invalid for want of patentable invention.

The decision of the Court of Appeals in this case merely applied this rule, indicating in effect in its opinion that the District Court did not apply the proper test of invention as to the Farr patent in suit.

Petitioner seeks to raise the question as to what court can apply this fundamental doctrine of the patent law and under what circumstances.

This Court has never hesitated to apply this fundamental doctrine where it has found patents invalid, in spite of and without discussing the contrary findings of fact of the District Court. (See: *A. & P. Tea Company* case, *supra; Mandel Bros., Inc. v. Wallace,* 335 U. S. 291; *Funk Bros. Seed Co. v. Kalo Inoculant Co.,* 333 U. S. 127.)

Similarly, the Courts of Appeals have had no hesitancy in applying the fundamental principle to hold patents invalid, in spite of a contrary holding by the District Court. (See: *United Specialties Co. v. Industrial Wire Cloth Products Corp.,* 186 F. 2d 426 (C. A. 6th, 1951); *Montgomery Ward & Co. v. Buer,* 186 F. 2d 614 (C. A. 6th, 1951); *Paramount Industries, Inc. v. Solar Products Corp.,* 186 F. 2d 999 (C. A. 2d., 1951); *Youngs Rubber Corp. v. Allied Latex Corp.,* 188 F. 2d 945 (C. A. 2d, 1951); *Boston Metals Co. v. Air Products, Inc.,* 193 F. 2d 535 (C. A. 4th, 1951); *Associated Folding Box Co., Inc. v. Levkoff,* 194 F. 2d 252 (C. A. 1st, 1952); *Whitman v. Andrus,* 194 F. 2d 270 (C. A. 6th, 1952); *General Motors Corp. v. Estate Stove Co.,* 201 F. 2d 645 (C. A. 6th, 1953); *Texas Miller Hat Corp. v. Switzer Bros., Inc.,* 201 F. 2d 824 (C. A. 5th, 1953); *Allied Wheel Products, Inc. v. Rude,* 206 F. 2d 752 (C. A. 6th, 1953); *Kwikset Locks, Inc. v. Hillgren,* 210 F. 2d 483 (C. A. 9th, 1954); *Buffalo-Springfield Roller Co. v. Galion Iron*

Works Mach. Co., 215 F. 2d 686 (C. A. 6th, 1954); *United States Air Conditioning Corp. v. Governair Corp.*, 216 F. 2d 430 (C. A. 10th, 1954); *Gordon Cartons, Inc. v. Alford Cartons*, 218 F. 2d 246 (C. A. 4th, 1954); *Pollard v. American Phenolic Corp.*, 219 F. 2d 360 (C. A. 4th, 1955); *Powder Power Tool Corp. v. Powder Actuated Tool Co.*, 230 F. 2d 409 (C. A. 7th, 1956); *Blish, Mize & Siliman Hardware Co. v. Time Saver Tools, Inc.*, 236 F. 2d 913 (C. A. 10th, 1956).)

Consequently, we suggest that there is no conflict or confusion among the courts in applying the fundamental principle of law, and that this is the important point so far as the public interest is concerned.

Petitioner merely seeks to persuade this Court to make a general statement as to the effect to be given on appeal to findings of fact of a District Court. This Court has clearly done so in *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U. S. 271. And see: *McAllister v. United States*, 348 U. S. 19, 20, 75 S. Ct. 6, 99 L. Ed. 20. No further declaration of this Court's views on the question is required.

The issues presented by this action are of interest only to the parties herein. Particularly apposite is the comment of Mr. Chief Justice Taft in *McAllister v. United States, supra*, as follows:

> ". . . it is very important that we be consistent in not granting the writ of certiorari except in cases involving principles the settlement of which is of importance to the public as distinguished from that

of the parties, and in cases where there is a real and embarrassing conflict of opinion and authority between the circuit courts of appeal. The present case certainly comes under neither head."

Layne & Bowler Corp. v. Western Well Works, Inc., 261 U. S. 387, 67 L. Ed. 712, 43 S. Ct. 422.

F. Conclusion.

It is submitted that this case does not display any sufficient reason for the grant of a writ of certiorari within the rulings and practice of this Court. The purported questions attempted to be raised by the Petition are not in fact questions raised by the record, and even if deemed raised, have long been answered by controlling rulings of this Court. Thus, no important question of Federal law remains to be decided by this Court.

The public interest has been served by the holding of the Court of Appeals that the Farr patent in suit is invalid.

It is suggested that the Petition should be denied.

Respectfully submitted,

FORD W. HARRIS, JR.,

Attorney for Respondents.